

CEER response to the European Commission's public consultation on the priority list for the establishment of gas network codes and guidelines for 2023 (and beyond)

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CEER welcomes the <u>European Commission's public consultation to establish the priority list for gas Network Codes (NCs) and guidelines for 2023 (and beyond)</u>. In general, NCs have proven to be a useful legal instrument for achieving steps towards an integrated EU energy market and for enhancing security of supply.

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CEER has <u>welcomed</u> the European Commission's legislative proposals on Hydrogen and Decarbonised Gas Markets. Regulators appreciate the Package's ambition to establish a comprehensive system design with a clear target model for the hydrogen and decarbonised gas market(s), to reinforce measures on integrated network development and focus on consumer protection issues.

With respect to the establishment of gas network codes, CEER has taken good note that the Proposal for a Regulation on the internal markets for renewable and natural gases and for hydrogen (recast) contains a number of areas for which network codes may be established (see article 53(2)).

Without prejudice to the identified subjects therein, regulators see room to frontload the question of how cybersecurity could be ensured for gas(es), considering the current geopolitical situation, and ACER's submission of a revised Network Code on electricity cybersecurity.

CEER is of the opinion that a minimum level of cybersecurity is a prerequisite for the increase in data exchange necessary in the future to facilitate large-scale integration of renewable energy sources (RES). The possibility to open markets to new players, and to promote the role of active consumers (prosumers) and aggregators, also depend on well-functioning information technology. For this reason, cybersecurity is instrumental to the technological advancement of energy markets, across all energy vectors. At the same time, regulators believe that cost-efficient deployment based on adequate concepts and hardware is in the interest of all consumers. Similarly to the planned electricity rules on "sector-specific rules for cybersecurity aspects of cross-border electricity flows, including rules on common minimum requirements, planning, monitoring, reporting and crisis management," we recommend that equivalent care is taken as regards gas networks.

With respect to existing gas network codes and guidelines, CEER notes that emergency regulations, such as Council Regulation (EU) 2022/2576 of 19 December 2022 enhancing solidarity through better coordination of gas purchases, reliable price benchmarks and exchanges of gas across borders have supplemented existing rules. More precisely, Article 14 of this Regulation supplements existing congestion management guidelines as well as the network code on capacity allocation mechanisms with a view towards more effective use of transmission capacity.



As the reader may know, regulators and transmission system operators (TSOs) for gas have cooperated for a long time through the Gas Network Codes Functionality Platform to address practical issues regarding their application. Solutions have been published on reported issues after public consultation.

Furthermore, to react to the fundamental shift in gas flows and to address possible occurrences of congestion, new network rules could accelerate marketing of transmission capacity which would otherwise remain unutilised, rendering the use of pipelines more efficient. To that end, regulators and TSOs have been working together on a proposal for amending the capacity allocation network code (CAM NC) to make the rules more in line with the needs of market participants. With that in mind, regulators stand ready to contribute to future processes to review and amend network codes or guidelines to ensure their continued efficacy.

Finally, CEER remains committed to developing hydrogen and decarbonised gas markets further in the interest of consumers. We look forward to the finalisation of the negotiations of the package, which will complement the framework put in place by the Clean Energy for All Europeans Package adopted in 2019.